

THE YARA PRIZE AND CORRUPTION: MELES ZENAWI WITH A PURSE OF TWO HUNDRED THOUSAND DOLLARS ONLY? WHY NOT A MILLION DOLLARS!

By Tecola W. Hagos [Printer Friendly](#)

I. Introduction and background

This article is a criticism and open accusation of wrongdoing and of criminal activities by the Yara Foundation and its Board in declaring [Meles Zenawi](#) as the Foundations first "[African Green Revolution Yara Prize](#)" winner with a purse of \$200,000.00 and an art work of undisclosed value. I believe that American corporations, such as Dupont, Lucent, Motorola et cetera, often acclaimed for their business practices, are directly affected by such corrupt practice by their European competitors in the chemical, fertilizer, and telecom businesses worth trillion of dollars in Africa or elsewhere in the world.



It is of great importance that the American Government as well as those of the governments of European countries to look into corrupt business practices by executives of leading corporations in their respective countries, in order to ensure a healthy business atmosphere and fair competition that will benefit everyone. We are dealing now with a system of global economy and with a more transparent role of multi-state corporations in that economy, which is drastically different from the Nineteenth Century and most of the Twentieth Century "anything-goes" form of business practices. All governments need be vigilant and courageous enough to move against corporations and executives who corrupt and spoil the business atmosphere in the present global economy.

The corruption of African leaders is the most serious problem in Africa's struggle for survival and economic development. President Olusegun Obasanjo of Nigeria informed his peers in a conference over a year ago that African leaders embezzled over 140 billion dollar in the period after independence i.e. since 1963. [Ayittey, [AFRICA UNCHAINED: The Blueprint for Africa's Future](#), Palegrave, 2005, 406] Without the participation of Western corporate executives (bankers, manufacturers, builders et cetera), no African leader would have been able to steal a single dollar or equivalent. The ill effect of corrupt business practices has dramatically retarded development in Africa and had lead to the present dire situation in most of the nations of Africa. Corruption added to natural disasters of several major famines, and man-made civil wars, ethnic conflicts, et cetera had led us to the present state of Africa.

Already, Prime Minister Meles Zenawi and close associates have been accused of major corruption schemes of monopolizing the Ethiopian economy with their sham corporations, supposedly established for the interest of their local ethnic region of Tygraei, where they have invested in their own names in several international as well as domestic Ethiopian businesses. The investment amount is mind boggling even by the standard of developing nations. It is estimated that the investment controlled by Meles Zenawi and close associates is in the billions of dollars or equivalent. With this background in mind, it is not hard for me to understand why so many Ethiopians were

very much incensed with the recognition by Yara Foundation of Meles Zenawi as its first "African Green Revolution Yara Prize" winner with a purse of \$200,000.00 and an art work of undisclosed value.

The official citation for the award posted in Yara's own Website states shamelessly the following about Meles Zenawi: "The Yara Foundation Board recognizes Prime Minister Meles' decisive steps towards increasing food production and reducing poverty in one of the poorest countries of the developing world. He has brought about political change in Ethiopia, and placing the rural poor first in the country's development strategies." It is public knowledge that Ethiopia is worse off now than ever. A nation of seventy million people is now languishing without access to its historic coastal territory of the Red Sea. Due to the political program implemented by force by Meles Zenawi and associates since 1991, the people of Ethiopia are on the brink of breaking apart on ethnic based federal structure that was aimed at destroying Ethiopia as a nation and to allow ethnic enclaves to become nations on their own. The economy is in shambles due to corrupt monopoly by the corporations controlled by Meles and associates. Prostitution and epidemic of AIDS has devastated Ethiopia's urban centers as well as the rural Ethiopian population. In the fourteen years period Meles Zenawi and his political party were in power, Ethiopians have been devastated by war, famine, and oppression worse even than the time of the brutal dictator Mengistu Hailemariam.

Before deciding on any award for Meles Zenawi, the Yara Foundation Board should have taken into account the gross violations of human and political rights of millions of Ethiopians by Meles Zenawi and his government for the last fourteen years. The violations of human and democratic rights of Ethiopians for the last fourteen years have been meticulously reported by respectable organizations and agencies. Amnesty International, Human Rights Watch, United States Department of State (Country Report), the Ethiopian Human Rights Council, and numerous journalists and academicians in articles and books have all informed the world community the atrocities and human rights and democratic rights violations perpetrated by Meles Zenawi and his government on tens of thousands innocent Ethiopians.

The fraud and manipulation of ballot counting by Meles Zenawi's government of the recent May 15, 2005 general election has demonstrated to us all that Meles Zenawi and associates are not fit to run any government. Because of such corruption, we are heading into a political bottleneck and showdown. No one knows what would happen next. Already in an effort to silence the struggle of Ethiopians for democracy and economic development, Meles Zenawi had promulgated a state of emergency without constitutional



observance. In the subsequent demonstrations by University students and later by citizens, his police and security forces murdered over forty Ethiopians and detained under horrible conditions tens of thousands of people and some of whom are still in detention or have completely disappeared. European government leaders and executive officers of major European corporations must be aware of the situation in Ethiopia. There is no justification to reward Meles Zenawi, who has the worst record of atrocities and gross human rights violations of any current African leader, any reward. Because of Meles Zenawi's horrible record as a corrupt and violent individual, I question the motive of Yara Foundation in deciding to award its first prize to such an individual.

I contend that there is nothing hopeful or encouraging about the situation in Ethiopian at this point that warrants awarding Meles Zenawi the first "African Green Revolution Yara Prize" with a purse of \$200,000.00 and an art work of undisclosed value. I contend further that the whole shenanigan is a well-camouflaged "bribe" by companies and their officers buying favorable treatment either for their ongoing businesses with the Ethiopian



government or possible future favorable business relationships. I believe that Yara International, Inc. and its Executive Officers, Yara Foundation and its Board Members, Telenor SAS and its Executive Officers, as well as Jeffery Sachs as co-conspirator, have committed crimes under the following laws and ought to be tried for their crimes either in the United States or in Norway:

- 1) The United States Foreign Corrupt Practices Act (FCPA) of 1977, 15 U.S.C §§ 78dd-1, 78d-2, and 78m, as amended; and
- 2) The Norwegian Penal Code, 22 May 1902, No. 10, Section 128, amended October 27, 1998; Council of Europe Criminal law Convention on Corruption in 1999, further amendment of the Penal Code, by Act No. 79 of 4 July 2003.

To the above national laws may be added several international and regional instruments, such as:

- 3) Declaration against Corruption and Bribery in International Commercial Transactions, United Nations General Assembly, December 1996.
- 4) Convention on Combating Bribery of Foreign Public Officials in International Business Transaction, OECD, December 1997.

II. Untangling the Gordian Knot: Yara and its Spawn

A. Yara International Inc., (Yara) a chemical (Fertilizer) company, Thorleif Enger, President and CEO. Yara International, Inc. is traded on the Oslo Stock Market. Its beginning was at the turn of the last Century 1900-1905 [it just celebrated its anniversary] as the world first nitrogen fertilizer facility. According to its President, Thorleif Enger, Yara is an internationally managed company with global operations in fifty countries and selling its product to over 120 countries. Yara North America, was established in 1946, and was opened to business in Tampa, Florida. Specifically, it is responsible for Hydros fertilizer activities in the USA and Canada. Enger stated, "We serve the U.S. agricultural community through a network of nearly 50 terminals with a capacity of over 600,000 tons, located mainly on the East and the West Coasts."

According to Yara's official publication, it is one of the largest fertilizer producing or manufacturing company in the world with billions of dollars investment asset. "Yara manufactures a wide range of fertilizers to help farmers grow crops such as grain, fruits, vegetables plus other products in a cost effective and environmentally friendly way. Through scientific product development, advice to farmers on nutrient applications, and resource-conscious production with efficient distribution channels, Yara plays an important role in food production for the world's growing population. Developing more environmentally friendly applications in the use of fertilizers is one of the main tasks for our researchers and agronomists. The Ammonia Department is responsible for marketing 1.3 million tons of ammonia from the Trinidad operation into the United States and Caribbean. This accounts for 24% of the total amount of ammonia traded worldwide. Logistics are handled through Yara's own fleet consisting of 15 vessels."

B. Yara Foundation Thorleif Enger, Chairman of the Board

Yara Foundation was established only recently. Yara International ASA announced that in March of 2005 it has launched a Foundation for the Green Revolution in Africa and an international prize, which focused on food production and the fight against poverty in Africa. The Yara Foundation, established by Yara International ASA, is the first enterprise to make a financial commitment linked to the United Nations' Millennium Villages Project and Kofi Annan's call to support a green revolution in Africa. However, when I look closely at the composition of the Board of the Yara Foundation and the corporations behind that scheme, it is clear to me that the Foundation is not a benign structure but another organization with an inner agenda. Who are the Board Members of Yara Foundation?

1. Thorleif Enger, Chairman of the Board of Yara Foundation (financed by Yara Corporation), President and CEO of Yara International Inc. (a fertilizer chemical company), he is also Chairman of Telenor ASA another huge Norwegian telecom corporation;
2. Pedro Sanchez, the Earth Institute, Columbia University (USA), colleague of Jeffery Sachs;
3. Marco Quinones, Regional Director for Africa, Sasakawa Global 2000, Ethiopia;
4. Joan Holmes, President of the Hunger Project, USA, a small nonprofit organization, and
5. P. Hartmann, Director General of IITA, Nigeria.

The members of the Board of Yara Foundation, except for Mr. Quinones, Regional Director for Africa, Sasakawa Global 2000, Ethiopia, seem to be tied to Yara International ASA or to Jeffery Sachs in some form of dependency on Yara and related corporations for their financing. The individuals all seem to be either heads of private non-profit organizations or mid-level managers of international non-profit organizations. I believe the Chairman of the Foundation is the key to the elaborate corruption scheme that is unfolding right in front of our eyes in the award of the "First African Green Revolution Yara Prize" to Meles Zenawi. The award is a well-camouflaged bribe, the working of at least two for-profit Norwegian and one Finish Corporation (Nokia) as I shall explain hereunder.

Yara Corporation is in the fertilizer business. Yara stands to gain tremendously with its Foundation awarding a Prize and a \$200,000.00 dollar purse to Meles Zenawi. It stands to gain from close association with Meles Zenawi as the leader of a country that is earmarked to benefit greatly from the billion of dollars being pledged by developed nations. Moreover, the President of Yara Corporation is also the Chairman of Yara Foundation. Yara has nothing by way of Fertilizer business in Ethiopia, however, it is the leading company in the African Market as a whole. The fertilizer business is quite volatile since it depends to a great extent with the price of oil and gas. Nevertheless, the European corporations involved in the fertilizer business are weary of the stiff competition coming from the United States, China, and other things.

"Yara aims to play an active role in enabling a green revolution in Africa. Based on the UN's recommendations, we want to demonstrate that it is fully possible to combine a commitment to sustainable development and the fight against poverty, with commercial objectives." says Yara's President and CEO, Thorleif Enger. For a change, the President of a corporation openly admitted that it is business that motivated the establishment of the Foundation. "Fighting poverty and hunger in Africa is one of the most important issues of our time. If we want to succeed, it is crucial that all parts of society are involved and share the responsibility. Yara is showing the way with its commitment to a green revolution in Africa. We hope that many other companies will follow its example," says Pedro Sanchez, a Board Member of Yara Foundation. It is quite ironic that the first individual the Foundation's Board chose, as a matter of fact, happens to be the most vehemently hated individual by his own people.

C. Telenor, ASA

Telenor ASA was incorporated in 1994 as a result of Norway's restructuring of its public telecommunications carrier. Norway at that time converted its public telecommunications carrier into a company limited by shares owned 100 percent by the Kingdom of Norway. On June 15, 2001, the Norwegian parliament authorized a further offering of shares held by Norway's government in Telenor ASA which in effect will permit the dilution of the Kingdom of Norway's majority ownership in Telenor ASA to a minority stake of as little as 34 percent. As we shall see later, Telenor did divest about 21% to private investors decreasing the Kingdom of Norway's interest to 79%.

Even more importantly, the same individual who is President of Yara International ASA and Chairman of Yara Foundation is also the Chairman of Telenor ASA, a leading mobile telecom company. However Telenor as yet no direct business with the Ethiopian government or in Ethiopia's huge wireless mobile phone market. Telenor has had extensive business relationship with another leading Finish telecom company called Nokia. Nokia had won about four months back a 23 million euro (about 30 million US dollars) network expansion deal from Ethiopian Telecommunications Corporation. [See Expert Views, <http://www.wireless.expert-views.com>] Nokia and Telenor, as I stated earlier, have had an ongoing business relationships, for years, for example, they signed an agreement (through the subsidiary) in January of 2005 for equipment dealing with Hungary telecom, and in May, they extended the agreement for telecom equipment et

cetera. What we have here is the overlapping of business interests between several Nordic companies from Norway and Finland with the government of Ethiopia, and interlocutory executives of different companies and a foundation created by one of such companies that serves all of the companies involved with each other and third parties.

There is no doubt in my mind that Yara Foundation promotes the business interests of all the companies involved in such preexisting longtime business relationships. Even though on paper Yara Foundation is created by Yara International ASA, with possible funding from the other companies, the awarding of a Prize that carries a \$200,000.00 US dollars purse benefits all of them. Telenor ASA has so far no direct business in Ethiopia's large and fast growing telecom market. By associating itself on one hand with Nokia, which is already well established in Ethiopia, and Yara, it will stand to gain in acquiring new business in Ethiopia. The award will definitely influence Meles Zenawi to favor those companies connected with Yara than those who are not. If this is not a case of influence peddling and corrupting the leader of a poor nation, show me what is.

The larger picture of the situation in Africa shows the fight between these European corporations trying to monopolize the possible huge wireless market by themselves edging out such corporations such as Motorola and Lucent is very real and must be a concern of the United States Government. Ultimately, the African nations and people are the ones who will suffer the most due to such collusions and corruptions. The undesirable effect of allowing few corporations to be providers of both technical and structural services will simply result in poor service, price hiking, and dependency on few corporations for such vital flow of goods and services in African nations. As we can see from the data provided below, the telecom business is a cutthroat business, where companies in constant and long-standing relationship with Telenor ASA and Yara International ASA are in serious competition with companies from the United States. [See: Statistical data included herewith for market shares of such companies in the wireless mobile phone business.]

World Wide Market Share of Mobile Wireless

Brand	Units Sold(in million)	Market Share	Market share(4th Quarter, 2004)	
Nokia	53.8	31.32%	34.07%	-8.08%
Motorola	28.7	16.71%	16.39%	
Samsung	24.5	14.26%	10.88%	
LG	11.1	6.46%	7.16%	-9.76%%
Sony Ericsson	9.4	5.47%	6.49%	-15.69%
Siemens	9.3	5.41%	6.96%	-22.22%
Others	33.2	19.53%	18.04%	
Total	170	100%	100%	-12%

Brand	Units Sold(in million)	Market Share	Units Sold(in million)(3rd Quarter, 2004)	Market Share(3rd quarter, 2004)
Nokia	66.1	34.07%	51.4	31.99%
Motorola	31.8	16.39%	23.3	14.5%
Samsung	21.1	10.88%	22.7	14.13%
LG	13.9	7.16%	11.8	7.34%
Siemens	13.5	6.96%	12.7	7.9%
Sony Ericsson	12.6	6.14%	10.1	6.29%
Others	35	18.04%	28.7	17.86%
Total	194	100%	160.7	100%

III. Legal Issues and Criminality

The United States enacted the Foreign Corrupt Practices Act (FCPA) in 1977 (as amended), presumably the first anti-corruption law in the world, to stop at least discourage bribing foreign officials by executives of United States corporations. At that time of the debate in Congress on FCPA, there was an outcry from several members of the community believing that U S corporations would be at a disadvantage competing with their counterparts (free to bribe foreign leaders) elsewhere in the world. The world has finally found its way and has come around to the farsighted position of the legislators and the Government of the United States on such issues of corrupt business practices. What effect such statute and other national laws may have in a situation where an award of a well-publicized Prize with substantial purse is given to a national leader by a private foundation established by a corporation with other corporations in support behind in the shadow?

We need to take into account the principles developed by regional as well as international organizations in combating corrupt business practices. We must consider the principles contained in the Declaration against Corruption and Bribery in International Commercial Transactions, United Nations General Assembly, of December 1996, and that of the Convention on Combating Bribery of Foreign Public Officials in International Business Transaction, OECD, of December 1997.

The principal architect of the scheme of the creation of the Yara Foundation and to use it to influence the decision of leaders around the world to benefit Yara and its business partners seems to be Thorleif Enger, the Chairman of the Board of Yara Foundation; President and CEO of Yara Corporation, and also Chairman of Telenor ASA another huge Norwegian telecom corporation. He should be held as a primary defendant under the Foreign Corrupt Practices Act (FCPA). The other Board Members of Yara Foundation: Pedro Sanchez, of the Earth Institute, Columbia University (USA), colleague of Jeffery Sachs; Marco Quinones, Regional Director for Africa, Sasakawa Global 2000, Ethiopia; Joan Holmes, President of the Hunger Project, USA, a small nonprofit organization and P. Hartmann, Director General of IITA, Nigeria. may be held accountable to varying degrees under the Foreign Corrupt Practices Act (FCPA).

Although his intentions may be for the benefit of the poor and dispossessed people of the Planet, Jeffery Sachs has an uncanny ability to turn something promising into something disastrous. Our memory of the collapse of an aspect of the economic program in Russia in the 1990s that he headed as officer of HIID is still fresh in our mind. Nevertheless, it is sad to realize that the first notable act in connection with the United Nations Millennium Project that Sachs is involved with is to promote the awarding of the first Yara Prize to a brutal dictator, who has just massacred over forty Ethiopians, peaceful demonstrators in Addis Ababa, and imprisoned thousands others under the most deplorable condition on June 7, 2005 and after. How does such award serve the interest of the poor brutally oppressed people of Ethiopia? Jeffery Sachs has lost his mind; he is acting as a headless turkey spinning aimlessly in the void. Now he is involved in a more serious criminal conspiracy possibly violating the laws of the United States and that of Norway. Already the corruption of the United Nations Millennium Project is here. This is truly a sad day for all.

As to the issue of jurisdiction and applicable law, FCPA is fully applicable to hold accountable the Chief Executives of Telenor ASA, Yara International ASA, and Yara Foundation. The nexus is already established by the United States Agencies in previously entered submission of the executives of Telenor ASA to United States sovereign jurisdiction through its governmental agencies and courts as was evidenced in the case of Telenor Satellite Services Holdings, Inc. (TSSH) at the Federal Communications Commission (FCC). Telenor was wholly owned by the Kingdom of Norway until it divested 21% (of that shading of interest, 14% was bought by non-Norwegian entities and individuals) in order to satisfy the requirement of the United States laws in order to qualify as a successor to licenses assigned to a US company that Telenor was buying. For example, in the order given by the Federal Communications Commission, in FCC 01-369, of 14 December 2001, that allowed the assignment of US license to Telenor ASA [Telenor Satellite Services Holdings, Inc. (TSSH)] we find unequivocal authority of the applicability of FCPA to cases involving bribery and conspiracy to commit such crime by executives of Yara International, Yara Foundation, and Telenor. Thus, it is absolutely clear that Telenor ASA, and its CEO are subject to the FCPA.

Under FCPA, a crime is committed if a United States person, which would include also anyone deemed to do business in the United States, pays of anything of value to influence the discretion of a foreign official any where in the world to obtain or retain some business advantage. The issue here, as indicated above, is whether a payment designated as a "Prize" to the leader of a country by a foundation affiliated or created by a company that does business in such country could be deemed as a corrupt payment. In other words, the Prize purse of \$200,000.00 dollars awarded by Yara Foundation to Meles Zenawi could be seen as a camouflaged bribe, a prohibited payments or promise of payment. The packaging of the illicit payment should not hide the true nature of something of great value given to a leader or to any person with power who can affect the future or current business relationship of a company or an individual. The FCPA statue is not specific enough to make it absolutely clear that "prizes" in all instances are included in such prohibited payments. However, it is within the reach of a court or a commission to

interpret a term in a statute consistent with its purpose and intentions (spirit) to include related activities. There are numerous cases to support such interpretations.

In fact, by using simple thought experiments or hypothetical questions, we can be able to reach a reasonable conclusion whether payments packaged as “prize awards” are covered by FCPA or other similar laws in different parts of the world. Let us suppose the Yara Foundation Prize has a purse of one million dollars instead of its two hundred thousand dollars purse. Do we still think it is not bribery? Let us raise the purse again to ten million dollars. As we increase the amount of the purse connected with an award, it becomes quite easy to see as we increase the amount of the “prize” purse that at some point we have crossed the line and any such “prize” payment is an outright bribe. If the principles on which such prize was based were right, no amount of money would have affected our thinking about legality of such prize award. What the example is teaching us here is the fact that the main element for a “prize” to be seen as a bribe is the effect it may have on the individual receiving such payment. It is my considered opinion that a crime is being committed in the guise of benevolence by individuals who should know better.

Even if there was no monetary reward attached to the Yara Foundation Prize, the first choice of winner by the Board of the Yara Foundation is a shameful act and disrespectful of all Ethiopians. Meles Zenawi is immersed up to his ears in corruption, political murder, detentions and disappearances of thousands of Ethiopians. He is engaged, as we speak, in the corruption and dismantling of the result of the May 15, 2005 election results; whatever little democratic gain Ethiopians had achieved through their relentless struggle of the last fourteen years is being destroyed by new waves of arrests and harassment. It is beyond the scope of this article to reiterate the thousand cuts inflicted by Meles Zenawi and his associates on Ethiopia. It suffices to point out in general terms that no award to Meles Zenawi of any kind is proper at this time of great suffering of Ethiopians. I demand Yara Foundation to withdraw its Prize award immediately, and I demand also an official apology from the Chairman of the Foundation and his Board of Directors for insulting us with their impunity.

Tecola W. Hagos
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